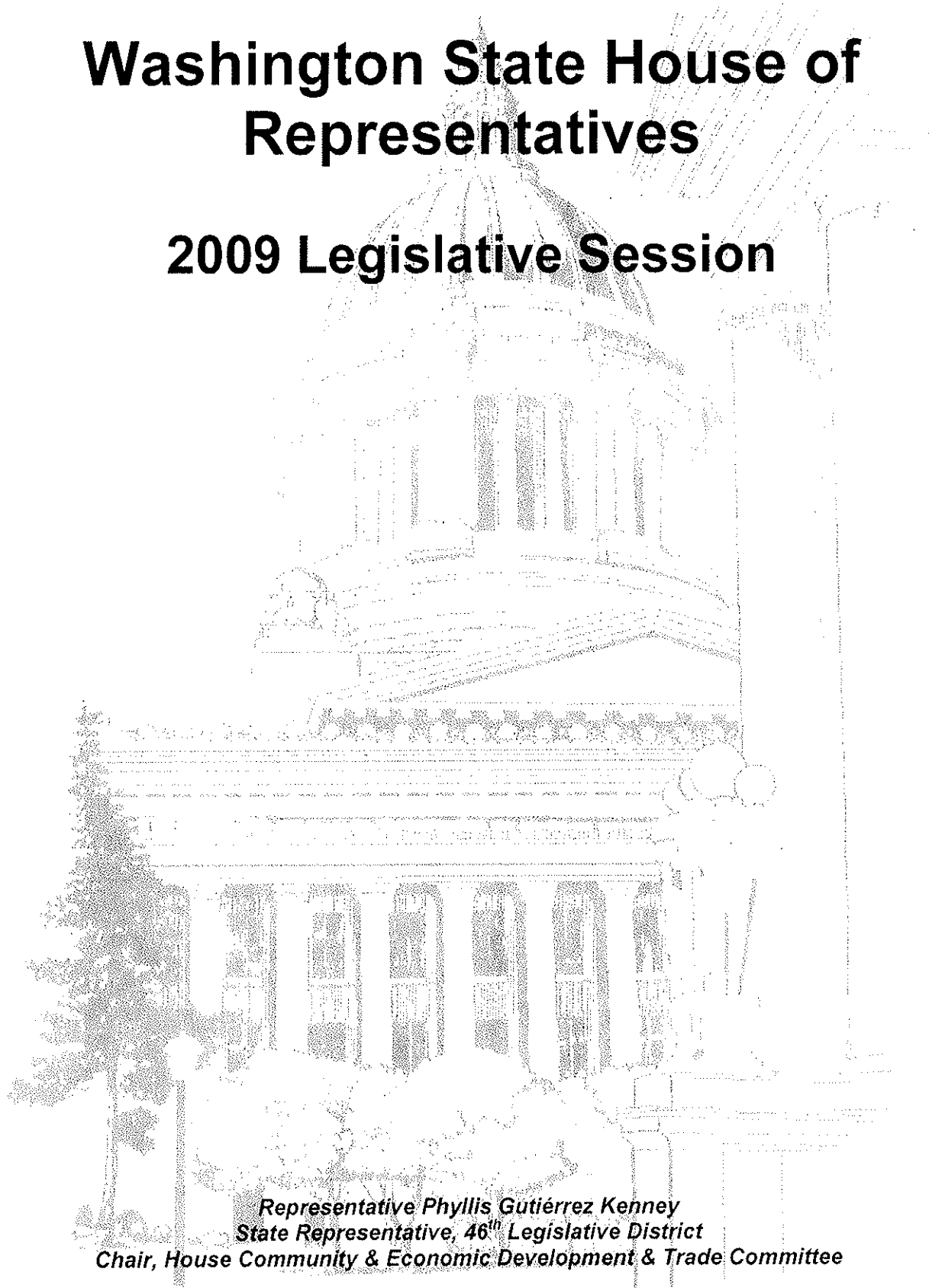


# **Washington State House of Representatives**

## **2009 Legislative Session**



*Representative Phyllis Gutiérrez Kenney*  
*State Representative, 46<sup>th</sup> Legislative District*  
*Chair, House Community & Economic Development & Trade Committee*



Commission Members:

The current financial crisis has shown that, when it comes to the economy, we're all in it together. And together we will work on solutions that uphold our values and move us forward in repairing our economy, improving education and generating jobs.

Today, our nation and world face a growingly bleak economic climate. With unemployment, home foreclosures and business closures on the rise, we must take bold, innovative steps to rebuild our economic foundation and put the State of Washington in a position to be the preeminent economic driver for our region and for the United States. We must focus on the future and develop new, promising industries that will support future job creation and economic development.

Washington, known for its innovative and high-tech industries, has seen its venture capital investments at its lowest point in over a decade. In order for Washington to be a leader in the global economy, we must promote an economy built on innovative economic development and research. Washington must invest in talent by providing a strong education system, from early learning to higher education. Education is central to developing the next generation workforce as well as in helping our current workforce to retrain and retool with evolving technology and business practices. By investing in our education system, we can better provide the well-trained, diversified workforce that our businesses needed to compete in a global market.

Our state infrastructure, like the rest of the nation, is outdated and overburdened by increasing demand. To accommodate economic growth, we must make investments in our state infrastructure, especially roads and rail, waterways, energy and broadband internet. In doing so, we can help promote efficiency, cut energy waste and reduce costs for businesses.

Washington must be competitive not only nationally, but also globally. The development and implementation of a Washington State economic development strategic plan must address changes in the global market in order for the plan to be viable in today's economic climate. The plan must also be a true partnership, incorporating goals and ideas from all entities and stakeholders. We must push ahead and not lose faith. Rather, we must take the lead and set a standard for other states and nations to follow.

A handwritten signature in black ink, appearing to read "Olympia Snowe". The signature is fluid and cursive, with a large, stylized initial 'O'.

Chair, House Community & Economic Development & Trade Committee



## 2009 Session: Stimulating the Regional Economy

We need solutions that encourage economic development so that everyone can have financial security and the opportunity to move forward.

President Obama's economic stimulus package has helped quite a bit; those federal dollars will be invested in ways that will help Washingtonians in every corner of the state. But help from the other Washington alone won't be enough to get us out of the hole.

To that end we passed measures that will bolster our economy now and in the future. For example, we removed the restriction on forming a tourism promotion area in certain counties, which will benefit local businesses by increasing the number of visitors to those areas.

We know that movies mean business and lots of it, but right now many American producers are shooting films in Canada instead of doing it here. To attract those motion picture production companies we raised the funding assistance that can be provided to them from 20% to 30% of their total actual investment in the state.

To restore our economy we need quality economic development to put people to work in dependable, good-paying jobs — the kind of jobs that will still be here tomorrow. This session we worked toward encouraging businesses that comprise just exactly this type of development.

We recognize that green industries are pivotal to the economic future of our state, so we enacted the Evergreen Jobs Act, which will create 15,000 new green economy jobs by 2020. The initiative includes workforce training in the areas of clean energy, high efficiency building, green transportation, forestry, and environmental protection.

Other measures that will get the economy moving again include improvements to Innovation Partnership Zones (IPZs), local revitalization financing for public projects, and adjustments to the Local Infrastructure Financing Tool (LIFT) Program. The IPZs already active in 11 areas of our state and those that will be designated in the next two years are models of the collaboration between economic development, higher education, and workforce training that will lead to our state's future economic stability. So are the "star" entrepreneurial researchers recruited by WSU and the UW to generate products and innovations with direct commercial applications. Meanwhile, literally on the ground, the new local revitalization financing tool will give the public and private sectors in our communities the capacity to jointly develop and redevelop our downtowns and commercial areas.

Also, because we believe state agencies should be a partner with — not an adversary of — businesses, we approved measures that increase accountability and transparency in the ways state agencies serve the public and carry out their missions. And we created the Department of Commerce, which will emphasize promotion of innovation, economic and business development, international trade, and superior competitiveness.

We're in this crisis together and together we will restart the economy, and come out of this stronger.



## **Fostering Economic Development**

*Ensuring that our state remains strong during tough times by supporting our businesses and bolstering economic activity in our local communities.*

### **Minority and Women's Business Enterprises Strategic Plan (HB 1087)**

Requires the Office of Financial Management to work with the Office of Minority and Women's Business Enterprises in developing a strategic plan addressing the effectiveness of state agencies in helping small minority and women's businesses compete for state contracts. *(Delivered to Governor)*

### **Innovation Partnership Zones (HB 1128)**

Requires the Department of Community, Trade and Economic Development to biennially designate Innovation Partnership Zones. Authorizes withdrawal of designation and funding for non-performance. Removes Economic Development Commission oversight responsibility. Updates reporting deadlines. *(Signed into law)*

### **Local Tourism Promotion Areas (HB 1290)**

Allows a county with a population of more than a million citizens to form a tourism-promotion area. The legislative authority for such a county is defined as two or more jurisdictions acting under an inter-local agreement to jointly establish and operate a tourism-promotion area.

The Department of Revenue is allowed to contract with a legislative authority to retain a portion of lodging-charge collections to offset administrative costs incurred by the department. *(Passed the Legislature)*

### **Workforce and Economic Development Coordination (HB 1323)**

Directs state and local economic and workforce-development organizations to coordinate strategies and priorities, and to report on their progress. Directs the State Board for Community and Technical Colleges to designate and fund on a competitive basis new and existing "centers of excellence." *(Signed into law)*

### **Associate transfer degrees (HB 1328)**

Allows technical colleges to offer associate transfer degrees that prepare students for entry into professional fields like engineering, construction management, and business. *(Governor signed)*

### **Opportunity internship program (HB 1355)**

Creates the Opportunity Internship Program to provide incentives for local consortia to build educational and employment pipelines for low income high school students in high employer demand occupations in targeted industries. *(Governor signed)*

### **Public Facilities District Promotional Activities (HB 1692)**

Requires a public facilities district to identify, in its annual budget, proposed expenditures for promotional activities, and to adopt rules governing promotional hosting. *(Signed into law)*

### **Revitalizing Student Financial Aid (HB 2021)**

Labels all state aid and most federal aid programs under the new banner of Opportunity Pathway; creates the Washington Higher Education Loan Program (HELP) to provide low-cost student loans to assist students in need; requires resident undergraduate students be notified of any federal tax credits related to higher education for which they may be eligible; allows colleges and universities to use their institutional aid funds for students in dual credit programs; and phases out the Educational Opportunity Grant program over a two-year period while providing enhanced State Need Grants to place-bound students. *(Governor signed)*

**Motion Picture Competitiveness Program Incentives (HB 2042)**

Increases the maximum funding assistance that can be provided to a motion picture production company per project from 20 percent to 30 percent of its total actual investment in the state. *(Signed into law)*

**Evergreen Jobs Act (HB 2227)**

Establishes the Evergreen Jobs Initiative to create 15,000 new green-economy jobs by 2020; target 30 percent of the jobs to certain populations; and accelerate and coordinate "Leadership Team" efforts to secure federal and other green-economy funding. Authorizes workforce-training organizations to prioritize training programs that lead to certification for green-economy jobs. Includes clean energy, high-efficiency building, green transportation, forestry, and environmental protection as green-economy industries. Provides for duties, performance metrics, reports, and creation of an Evergreen Jobs Training Account in the State Treasury. *(Passed the Legislature)*

**Creating a Department of Commerce (HB 2242)**

Creates a Department of Commerce. Requires the director to collaborate with the Office of the Governor, the Office of Financial Management, legislative committees, and a broad range of stakeholders in developing recommendations on the new department's mission, goals, organizational structure, and related issues that emphasize promotion of innovation, economic and business development, international trade, and improved competitiveness. The director must recommend terminating or transferring specific programs inconsistent with the core mission. Recommendations are to be submitted to the Governor and appropriate legislative committees by November 1, 2009. *(Passed the Legislature)*

**Local Revitalization Financing (SB 5045)**

Authorizes a local government that follows a specified process and meets certain conditions to create a revitalization area and make public improvements financed by bonds. Prescribes a process for a sponsoring local government to apply to the Department of Revenue for a state contribution (a sales and use tax credit) that can be used, along with locally generated revenues, to repay the bonds. Limits the state contribution to \$2.5 million per year statewide and \$500,000 per project. In addition, designates seven demonstration projects, prescribes maximum annual award amounts for each, and sets an overall annual state contribution for the demonstration projects of \$2.25 million. *(Delivered to Governor)*

**University engineering (SB 5276)**

Removes the restriction that only the University of Washington (UW) and Washington State University (WSU) may offer civil, mechanical, chemical engineering and that UW may only offer aeronautic and astronautic engineering. *(Delivered to Governor)*

**Projects of Statewide Significance (SB 5473)**

Allows additional projects to be designated as projects of statewide significance if they provide net environmental benefit or strengthen commercialization of innovations. Reduces the amount of capital investment required for a project that is designated based on capital investment in the county. *(Delivered to Governor)*



**Small Business Assistance (SB 5723)**

Directs the Small Business Development Center to work with economic and workforce-development organizations to integrate, target, coordinate, and tailor its services, and to increase satellite offices when financially feasible. Adds an institution's contributions to business-assistance organizations as a factor in evaluating a bank's performance in meeting community-credit needs. Requires that state-agency purchased goods and services, as well as personal, information, and printing services bids must be posted on the state's electronic vendor registration and bid-notification system. Requires the state to develop procurement policies and procedures that encourage and facilitate state-agency purchases of products and services from in-state small businesses. *(Delivered to Governor)*

**Local Infrastructure Financing Tool (LIFT) Program (5901)**

Adjusts current LIFT program. Expands limitations on the local sales and use tax rate set by sponsoring and co-sponsoring local governments, and sets a deadline for certain sponsoring local governments to select a local sales and use tax rate. Requires that before imposing the local sales and use tax, a sponsoring local government must estimate that certain revenues will equal or exceed the amount awarded to the project by the Community Economic Revitalization Board. Makes administrative changes to simplify the process. *(Delivered to Governor)*

**Commercialization and Innovation in the Life Sciences and Information Technology Sectors (SB 6015)**

Requires the Department of Community, Trade and Economic Development, in consultation with industry trade associations, to examine how the state can encourage and support the growth of innovation in the development and commercialization of life sciences and information technology. *(Delivered to Governor)*



## House Community and Economic Development and Trade Committee

### **Members:**

Rep. Phyllis Gutiérrez Kenney, Chair  
Rep. Marcie Maxwell, Vice-chair  
Rep. Norma Smith, Ranking Minority Member  
Rep. Maralyn Chase  
Rep. Marko Liias  
Rep. Ed Orcutt  
Rep. Kevin Parker  
Rep. Tim Probst  
Rep. Pat Sullivan

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